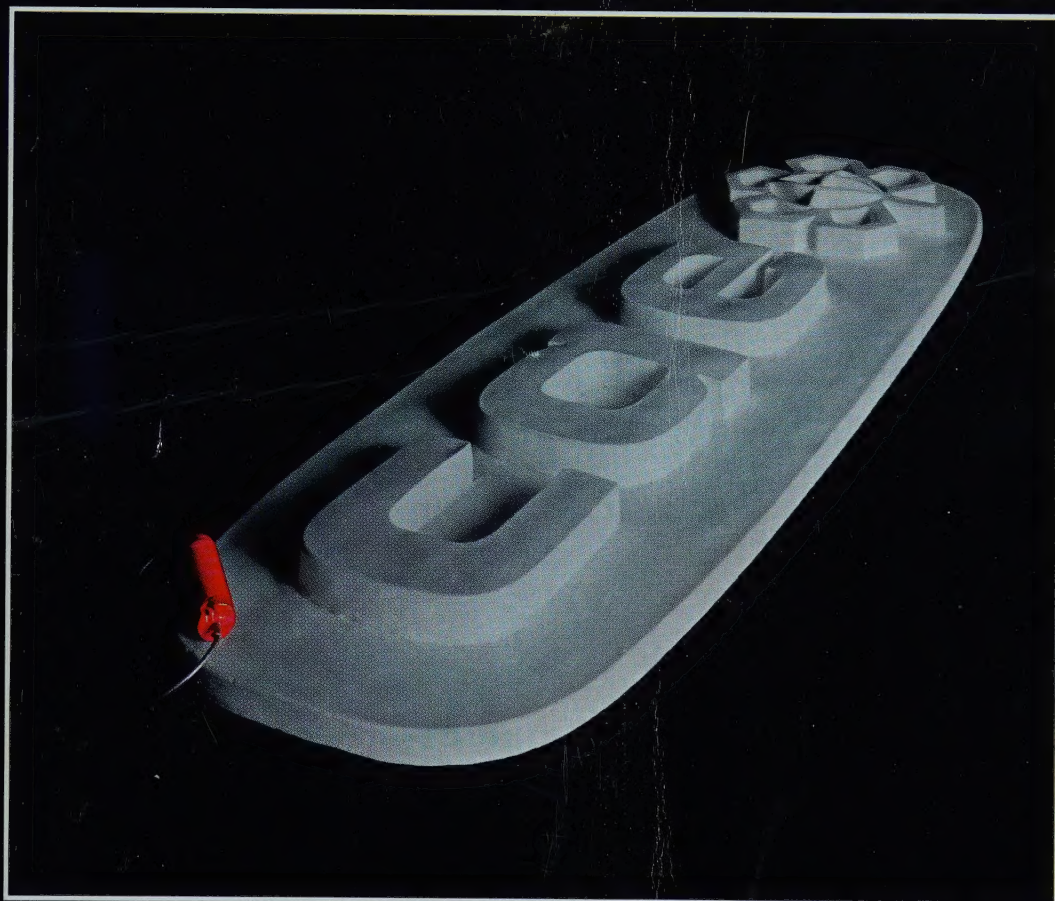


# CAE INDUSTRIES LTD.

ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 1969  
RAPPORT ANNUEL POUR L'ANNEE TERMINEE LE 31 MARS 1969









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The Annual General Meeting of the Shareholders will be held Monday, June 23, in the Fort Garry Hotel, Winnipeg, Manitoba.

## BOARD OF DIRECTORS

R. Fraser Elliott, Q.C., Chairman of the Board of Directors; Partner, Stikeman, Elliott, Tamaki, Mercier & Robb, Montreal, Que.

C. Douglas Reekie, President and Chief Executive Officer, Montreal, Que.

W. M. Anderson, Partner, Winspear, Higgins, Stevenson and Doane, Vancouver, B.C.

Henry Benson, President, Benso Limited, Montreal, Que.

G. Drummond Birks, Vice-President, Henry Birks & Sons Ltd., Montreal, Que.

Pierre Côté, President, Laiterie Laval Limitée, Quebec City, Que.

Peter D. Curry, Chairman, Greater Winnipeg Gas Company, Winnipeg, Man

P. L. P. Macdonnell, Q.C., Partner, Milner & Steer, Edmonton, Alta.

Ward C. Pitfield, President and Director, Pitfield, Mackay, Ross & Company Limited, Toronto, Ont.

Léon Simard, President, Engineering Products of Canada Ltd., Montreal, Que.

H. Heward Stikeman, Q.C., Partner, Stikeman, Elliott, Tamaki, Mercier & Robb, Montreal, Que.

Hon. G. S. Thorvaldson, Q.C., Partner, Aikins, MacAulay & Thorvaldson, Winnipeg, Man.

## OFFICERS

R. Fraser Elliott, Q.C., Chairman of the Board of Directors

C. Douglas Reekie, President and Chief Executive Officer

David I. Johnston, Executive Vice-President

Robert G. Small, Vice-President — Finance and Secretary

## BANKERS

Canadian Imperial Bank of Commerce

The Toronto-Dominion Bank

The Royal Bank of Canada

First National City Bank, New York, N.Y.

## AUDITORS

Riddell, Stead & Co., Chartered Accountants, Montreal, Que.

## COUNSEL

Stikeman, Elliott, Tamaki, Mercier & Robb, Montreal, Que.

## TRANSFER AGENTS

Crown Trust Company, Montreal, Que., Toronto, Ont., Vancouver, B.C.

## REGISTRAR

Montreal Trust Company, Montreal, Que., Toronto, Ont., Vancouver, B.C.

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L'assemblée annuelle des actionnaires aura lieu le lundi 23 juin, à l'hôtel Fort Garry, Winnipeg, Manitoba.

## CONSEIL D'ADMINISTRATION

R. Fraser Elliott, c.r., président du Conseil d'administration; associé de Stikeman, Elliott, Tamaki, Mercier & Robb, Montréal, P.Q.

C. Douglas Reekie, président et directeur général, Montréal, P.Q.

W. M. Anderson, associé de Winspear, Higgins, Stevenson and Doane, Vancouver, C.B.

Henry Benson, président, Benso Limited, Montréal, P.Q.

G. Drummond Birks, vice-président, Henry Birks & Sons Ltd., Montréal, P.Q.

Pierre Côté, président, Laiterie Laval Limitée, Québec, P.Q.

Peter D. Curry, président du Conseil, Greater Winnipeg Gas Company, Winnipeg, Man.

P. L. P. Macdonnell, c.r., associé de Milner & Steer, Edmonton, Alta.

Ward C. Pitfield, président et directeur, Pitfield, Mackay, Ross & Company Limited, Toronto, Ont.

Léon Simard, président, Engineering Products of Canada Ltd., Montréal, P.Q.

H. Heward Stikeman, c.r., associé de Stikeman, Elliott, Tamaki, Mercier & Robb, Montréal, P.Q.

Hon. G. S. Thorvaldson, c.r., associé de Aikins, MacAulay & Thorvaldson, Winnipeg, Man.

## DIRECTION

R. Fraser Elliott, c.r., président du Conseil d'administration

C. Douglas Reekie, président et directeur général

David I. Johnston, vice-président administratif

Robert G. Small, vice-président aux finances et secrétaire

## BANQUES

Banque Canadienne Impériale de Commerce

Banque Toronto-Dominion

Banque Royale du Canada

First National City Bank, New York, N.Y.

## VERIFICATEURS

Riddell, Stead & Co., comptables agréés, Montréal, P.Q.

## CONSEILLERS

Stikeman, Elliott, Tamaki, Mercier & Robb, Montréal, P.Q.

## AGENTS DE TRANSFERT

Crown Trust Company, Montréal, P.Q., Toronto, Ont., Vancouver, C.B.

## REGISTRAIRE

Montreal Trust Company, Montréal, P.Q., Toronto, Ont., Vancouver, C.B.

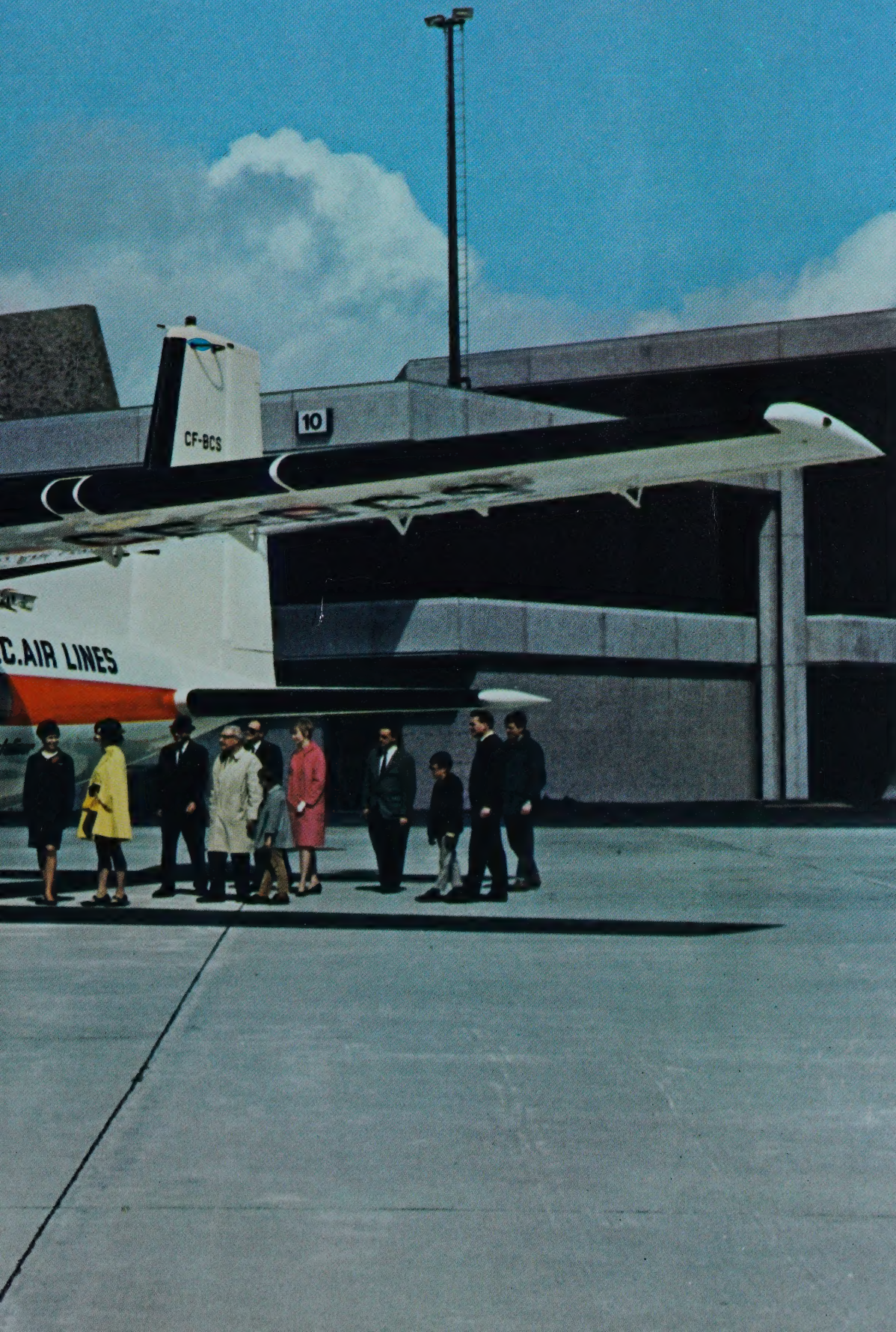






*B.C. Air Lines inaugurated new services throughout the interior of British Columbia with three 24-passenger Nord 262 "Vistaliners" shortly after the year end.*

*Peu après la fin de l'exercice, B.C. Air Lines mettait en service trois Nord 262 "Vistaliner" de 24 places sur ses nouvelles liaisons couvrant l'intérieur de la Colombie-Britannique.*





The past year has been one of progress and change for your company as it prepared itself for entry into new fields of endeavour while at the same time expanding its activities in existing areas of operation.

It was in aviation that the most substantial gains were made in the past fiscal year, gains which provide optimism for future success in this area.

Tooling up for the production of tail sections for the Handley Page Jetstream was completed during the year at Northwest Industries Limited, and fabrication of these components is under way. The company now holds contracts and options to manufacture a total of 200 ship sets, and with the sales forecasts for the Jetstream indicating at least 500 aircraft, there would appear to be a continuing program for some years to come.

Delays in certification of the aircraft did not permit achievement of sales expected in Canada last year, but this barrier has now been overcome, and Northwest Industries Limited, which is the Canadian sales outlet for the Jetstream, expects to record a number of sales this coming year and to install a number of aircraft interiors and avionics packages.

Development of the tooling jigs for the Lockheed TriStar program is in progress at the Edmonton subsidiary and manufacturing will get underway in fiscal 1970 on the \$30,000,000 contract to produce major components for 351 TriStars.

In its first full year as a Canadian dealer for Cessna aircraft, Northwest Industries Limited sold more of these aircraft than any other Canadian dealer, and indications are that the company will be equally successful in the coming twelve months. In addition to the modern new aircraft sales outlet opened in Edmonton this year, a second sales office and service facility was opened in Winnipeg.

Re-certification of the Aeromacchi Northwest Ranger utility aircraft delayed introduction of this plane, but the modifications proposed by Northwest Industries Limited, and accepted by the Italian manufacturer, should result in a superior aircraft which will find wide acceptance throughout Canada and the United States where this division is the franchised distributor.

Aircraft and component repair and overhaul activities continued

to grow throughout the year and the prospects for continuing expansion in this area are excellent, although some reduction in Canadian military aircraft maintenance and overhaul programs can be expected in the immediate future.

L'exercice écoulé peut se caractériser par deux mots: progrès et transformation. En effet votre Société s'y est préparée à aborder de nouveaux domaines d'activité, tout en développant les branches existantes.

C'est dans le secteur de l'aviation que les étapes les plus marquantes ont été franchies, et l'avenir de cette activité apparaît très prometteur.

Pendant l'exercice, Northwest Industries Limited a achevé de s'équiper pour la construction des empennages de Handley Page Jetstream, éléments dont la production a depuis démarré. Cette Société détient actuellement les marchés et options de fourniture de 200 ensembles pour navires et, compte tenu des prévisions de vente du Jetstream qui portent sur 500 avions, elle semble assurée d'un plan de travail ininterrompu de plusieurs années.

Les retards subis à la certification de l'appareil ont empêché de se matérialiser les ventes prévues pour le Canada l'an dernier. Cependant cet obstacle est maintenant levé et Northwest, qui a la représentation canadienne du Jetstream, espère en vendre un certain nombre cette année, et aussi installer des intérieurs et ensembles d'équipement.

La mise au point des gabarits d'outillage du programme Lockheed TriStar est en cours à la division Edmonton; l'exécution du marché de \$30,000,000, portant sur la fourniture d'éléments majeurs pour 351 de ces avions, débutera dans l'exercice 1970.

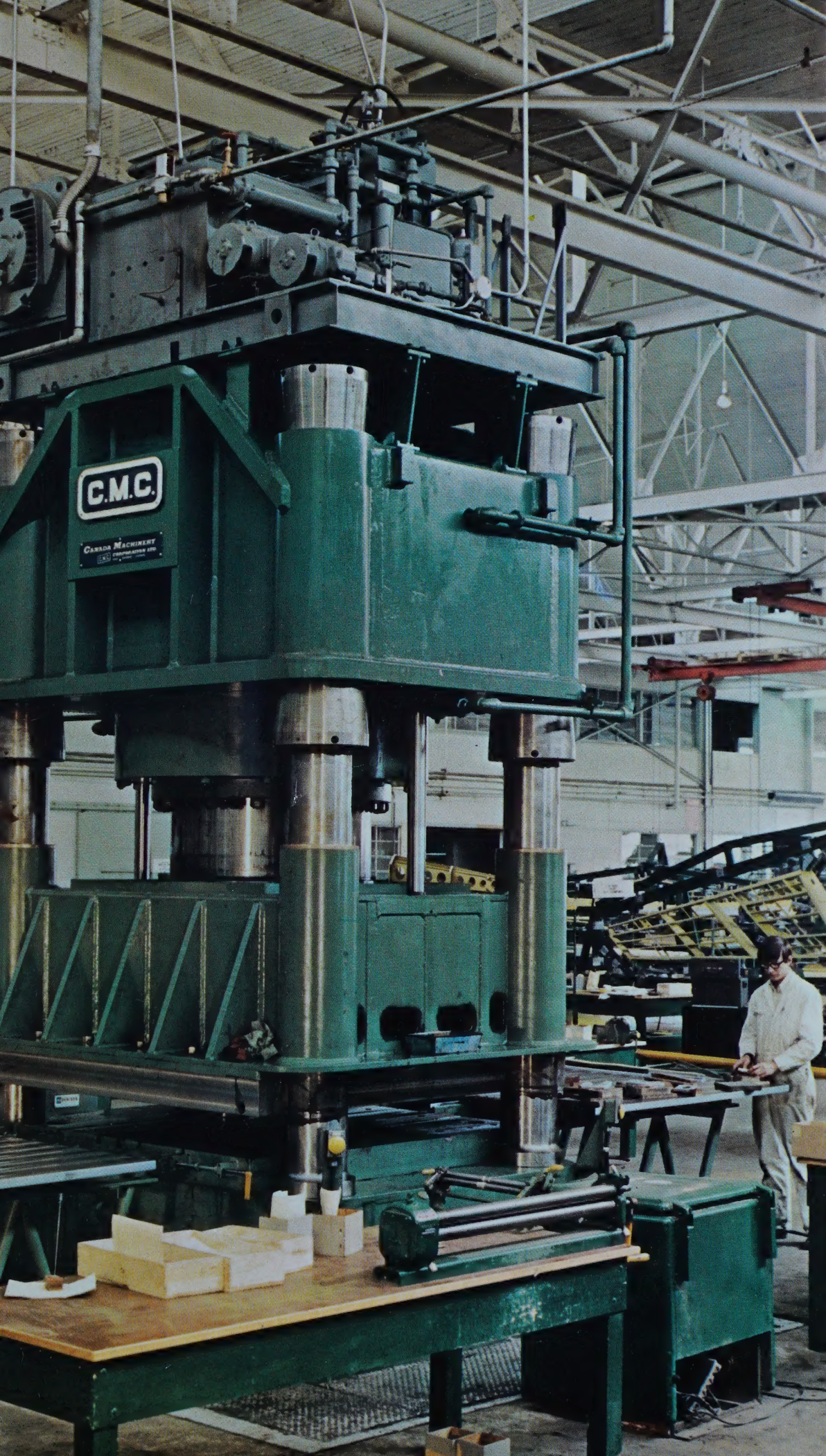
A sa première année complète de représentation de la marque Cessna, Northwest Industries Limited s'est classée au premier rang des ventes au Canada, et tout porte à croire qu'elle fera de même dans les douze prochains mois. En plus de la nouvelle agence moderne inaugurée à Edmonton cette année, une deuxième agence de vente-entretien a été ouverte à Winnipeg.

La recertification de l'Aeromacchi Northwest Ranger a retardé le lancement de cet avion utilitaire; toutefois, les modifications acceptées par le Constructeur italien (sur les conseils de Northwest) devraient en faire un appareil de grande classe, appelé à une large diffusion dans toutes les régions du Canada et des Etats-Unis, où la division en a la distribution exclusive.

La réparation et la révision des matériels volants et de leurs constituants n'ont cessé de progresser tout au long de l'exercice. Cette branche paraît

vouée à un brillant avenir, malgré qu'à court terme il faille envisager un ralentissement des programmes de travaux sur appareils militaires canadiens.





Western Canada's largest hydro press is used by Northwest Industries Limited, Edmonton, to fabricate sheet metal parts for the Lockheed L-1011 TriStar and Handley Page Jetstream component manufacturing programs.

Northwest Industries Limited utilise à Edmonton la plus grosse presse hydraulique de l'Ouest du Canada pour fabriquer des pièces embouties destinées à la construction du Lockheed L-1011 TriStar et du Handley Page Jetstream.



## NEW COMPANY FORMED

Our proposal to acquire the Air Canada maintenance base at Winnipeg was accepted shortly before the year end. It is expected that CAE, through Northwest Industries Limited, will assume responsibility for the base in mid-1969 and a new company, to be named CAE Aircraft Ltd., is being formed to take over the operation of the base. Initial efforts will be concentrated on Air Canada's Viscount aircraft, and as these aircraft are phased out of service new work will be acquired to ensure the continuation of a viable and expanding aerospace industry in Winnipeg. Assurances of continuing work programs have been received from the Canadian government and from Air Canada to sustain, and to expand, the base activities.

Your company considers this to be one of the more significant acquisitions yet made. The facilities and equipment and their location close to the aviation centres of the mid-western United States are excellent. The terms and conditions of acquisition were attractive to CAE, and we have confidence in the contribution this facility will make to the economic well-being of your company.

Approximately 700 new employees are expected to be brought into the CAE family in Winnipeg, while Northwest Industries Limited, which will be responsible for the operation of the new facility, is expected to expand its own employment to close to 1,000 within the next two years.

## NEW AIRLINE ROUTES

Proposals to the Air Transport Committee of the Canadian Transportation Commission resulted in the award to B.C. Air Lines of major route concessions throughout the interior of British Columbia. Fixed base operations on the coast, including more than 20 aircraft, were profitably disposed of, and three 24-passenger twin turbo-prop Nord 262 "Vistaliners" were acquired from an American airline under favourable lease arrangements. We are now operating community service routes to ten interior British Columbia communities.

BCA has now largely divested itself of costly float-plane operations, and has entered a new era of airline service in the fastest

growing segment of aviation in North America today, and in a rapidly expanding area of Canada. Management is optimistic about the success of this endeavour.

## CREATION D'UNE NOUVELLE SOCIÉTÉ

Air Canada acceptait, vers la fin de l'exercice, de vous céder sa base technique de Winnipeg, et votre filiale Northwest Industries Limited doit prendre cette installation en charge au milieu de 1969. L'exploitation en sera confiée à une nouvelle société, actuellement en voie de formation sous la dénomination de CAE Aircraft Ltd. Dans les débuts, les travaux se concentreront sur les Viscount d'Air Canada; lorsque cet avion sera retiré du service, de nouveaux débouchés seront trouvés pour le maintien d'une industrie aérospatiale florissante à Winnipeg. La poursuite des travaux confiés par le gouvernement fédéral et Air Canada, suivant les assurances reçues à cet effet, alimentera la base et lui permettra de se développer.

Votre Conseil d'administration estime que cette acquisition est l'une des plus importantes réalisées à ce jour. Elle a fait entrer dans votre patrimoine des installations excellentes, tant par la qualité de leur équipement que par leur proximité du Centre-Ouest américain. L'opération a été conclue à bon compte, et nous sommes persuadés qu'elle concourra à la prospérité de votre Société.

Il est prévu que le personnel CAE s'accroîtra de 700 personnes environ à Winnipeg, tandis que Northwest Industries Limited, qui dirigera l'exploitation, devrait pouvoir porter ses effectifs à près de 1,000 personnes d'ici à deux ans.

## NOUVELLES ROUTES AÉRIENNES

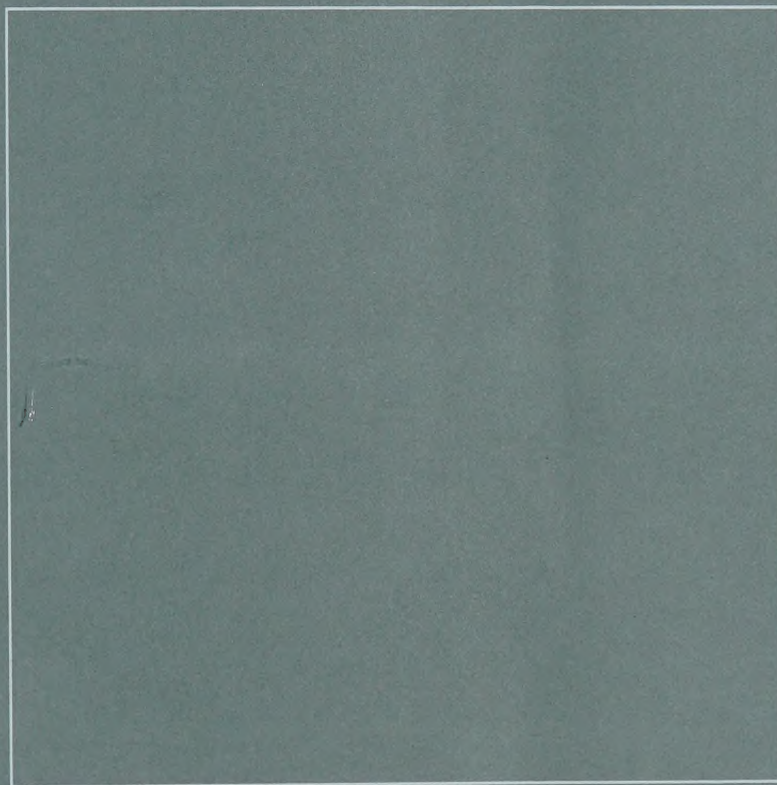
A la suite de propositions présentées au Comité du Transport aérien de la Commission fédérale des Transports, B.C. Air Lines s'est vu concéder des routes majeures couvrant tout l'intérieur de la Colombie-Britannique. Elle a liquidé dans des conditions avantageuses ses services côtiers à bases fixes, dont plus de 20 avions, et obtenu d'un transporteur américain la location de trois bimoteurs Nord 262 "Vistaliner" turbopropulsés de 24 places, à des conditions également intéressantes. Elle relie maintenant dix collectivités de l'intérieur de la Colombie-Britannique.

BCA est maintenant en grande partie retirée de l'onéreuse

exploitation des avions à flotteurs, pour aborder une ère nouvelle du transport aérien dans le secteur actuellement le plus dynamique de l'aéronautique nord-américaine, et ceci dans une région en pleine expansion. La direction envisage avec optimisme le résultat de cette réorientation.



CAR INDUSTRIES LTD.  
FINANCIAL SECTION  
SECTION FINANCIERE













CAE INDUSTRIES LTD.  
AND SUBSIDIARY COMPANIES

CAE INDUSTRIES LTD.  
ET COMPAGNIES FILIALES

CONSOLIDATED STATEMENT OF EARNINGS  
FOR THE YEAR ENDED MARCH 31, 1969

ÉTAT CONSOLIDÉ DES BÉNÉFICES  
POUR L'ANNÉE TERMINÉE LE 31 MARS 1969

	1969	1968	
Revenue	\$39,244,350	\$42,820,898	Revenus
Costs and Expenses			Coûts et dépenses
Manufacturing, selling and administration costs	36,013,958	40,079,981	Coûts de fabrication, de vente et d'administration
Directors' fees and remuneration of officers who are also directors	106,909	124,750	Honoraires des administrateurs et traitements des officiers-administrateurs
Depreciation	951,303	928,147	Amortissement
Amortization of patents, licenses and patterns	108,400	133,180	Amortissement des brevets, licences et patrons
Interest including interest on long-term debt of \$65,739 (1968 - \$41,667)	623,296	535,581	Intérêt, y compris intérêt sur la dette à long terme de \$65,739 (1968 - \$41,667)
	37,803,866	41,801,639	
Earnings from Operations	1,440,484	1,019,259	Bénéfices d'exploitation
Other Income			Autres revenus
Gain on disposal of property, plant and equipment	342,311	190,458	Gain sur disposition de propriétés, d'usines et d'équipement
Gain on sale of investments		284,301	Gain sur réalisation de placements
Earnings before Income Taxes	1,782,795	1,494,018	Bénéfices avant impôts sur le revenu
Income Taxes	774,342	340,651	Impôts sur le revenu
Earnings for Year	\$ 1,008,453	\$ 1,153,367	Bénéfices de l'année

CONSOLIDATED STATEMENT  
OF RETAINED EARNINGS  
FOR THE YEAR ENDED MARCH 31, 1969

ÉTAT CONSOLIDÉ DES BÉNÉFICES  
NON RÉPARTIS  
POUR L'ANNÉE TERMINÉE LE 31 MARS 1969

Balance at Beginning of Year	\$ 7,709,436	\$ 7,233,335	Solde au début de l'année
Earnings for year	1,008,453	1,153,367	Bénéfices de l'année
	8,717,889	8,386,702	
Preferred share dividends of subsidiary	37,439	37,500	Dividendes sur actions privilégiées d'une filiale
Common share dividends	691,074	639,766	Dividendes sur actions ordinaires
	728,513	677,266	
Balance at End of Year	\$ 7,989,376	\$ 7,709,436	Solde à la fin de l'année







**CAE INDUSTRIES LTD.  
AND SUBSIDIARY COMPANIES**

**CAE INDUSTRIES LTD.  
ET COMPAGNIES FILIALES**

**CONSOLIDATED BALANCE SHEET  
AS AT MARCH 31, 1969**

**BILAN CONSOLIDÉ AU  
31 MARS 1969**

<b>Liabilities</b>	<b>1969</b>	<b>1968</b>	<b>Passif</b>
<b>Current Liabilities</b>			<b>Exigibilités</b>
Bank indebtedness	\$ 8,098,560	\$ 6,224,181	Dette bancaire
Accounts payable	5,126,867	4,598,130	Comptes à payer
Dividends payable	168,793	168,854	Dividendes à payer
Current income and other taxes	722,615	637,050	Impôts sur le revenu et autres taxes exigibles
Deferred income taxes	656,000	355,000	Impôts sur le revenu reportés
Current portion of long-term debt	230,634	62,254	Portion exigible de la dette à long terme
	<u>15,003,469</u>	<u>12,045,469</u>	
<b>Long-Term Debt</b>			<b>Dette à long terme</b>
Bank loan	800,000	—	Emprunt bancaire
7 1/4 % mortgage payable in equal monthly instalments of \$3,627 including interest to December 31, 1975	232,582	258,483	Hypothèque 7 1/4 %, remboursable par versements mensuels égaux de \$3,627, y compris l'intérêt jusqu'au 31 décembre 1975
Non-interest bearing equipment purchase loans payable in annual instalments to 1975	303,860	228,769	Emprunts sans intérêt pour achat d'équipement, remboursables par versements annuels jusqu'en 1975
	<u>1,336,442</u>	<u>487,252</u>	
Portion included in current liabilities	230,634	62,254	Portion montrée aux exigibilités
	<u>1,105,808</u>	<u>424,998</u>	
<b>Deferred Income Taxes</b>	<u>892,585</u>	<u>873,583</u>	<b>Impôts sur le revenu reportés</b>
<b>Minority Interest in Subsidiary Companies</b>			<b>Intérêt minoritaire dans des compagnies filiales</b>
Preferred shares	745,100	750,000	Actions privilégiées
Common shares and related retained earnings	17,630	12,674	Actions ordinaires et les bénéfices non répartis s'y rapportant
	<u>762,730</u>	<u>762,674</u>	
<b>Contingent Liability and Commitments (Note 2)</b>			<b>Passif éventuel et engagements (Note 2)</b>
<b>SHAREHOLDERS' EQUITY</b>			<b>AVOIR DES ACTIONNAIRES</b>
<b>Capital Stock (Note 1)</b>			<b>Capital-Actions (Note 1)</b>
Authorized			Autorisé
2,250,000 common shares without nominal or par value			2,250,000 actions ordinaires sans valeur nominale ou au pair
Issued			Emis
2,126,381 common shares	6,104,192	6,104,192	2,126,381 actions ordinaires
<b>Retained Earnings</b>	<u>7,989,376</u>	<u>7,709,436</u>	<b>Bénéfices non répartis</b>
	<u>14,093,568</u>	<u>13,813,628</u>	
	<u>\$31,858,160</u>	<u>\$27,920,352</u>	



**CAE INDUSTRIES LTD.  
AND SUBSIDIARY COMPANIES**

**CAE INDUSTRIES LTD.  
ET COMPAGNIES FILIALES**

**CONSOLIDATED STATEMENT OF SOURCE  
AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED MARCH 31, 1969**

**ÉTAT CONSOLIDÉ DE LA PROVENANCE  
ET DE L'UTILISATION DES FONDS  
POUR L'ANNÉE TERMINÉE LE 31 MARS 1969**

Source of Funds	1969	1968	Provenance des fonds
Operations			Exploitation
Earnings for year	\$1,008,453	\$1,153,367	Bénéfices de l'année
Charges not involving an outlay of funds			Imputation ne comportant aucun déboursé de fonds
Depreciation	951,303	928,147	Amortissement
Amortization of patents, licenses and patterns	108,400	133,180	Amortissement des brevets, licences et patrons
Deferred income taxes	19,002	(15,830)	Impôts sur le revenu reportés
	2,087,158	2,198,864	
Proceeds from sale of capital stock	—	4,519,995	Produit de la vente d'actions du capital
Increase in long-term debt	680,810	—	Augmentation de la dette à long terme
Increase (decrease) in minority interest in subsidiaries	56	(3,973)	Augmentation (diminution) de l'intérêt minoritaire dans des filiales
	2,768,024	6,714,886	
<b>Application of Funds</b>			<b>Utilisation des fonds</b>
Additions to property, plant and equipment — net	1,762,849	1,209,203	Additions aux propriétés, usines et équipement — net
Mortgages receivable	332,424	—	Hypothèque à recevoir
Reduction in long-term debt	—	2,483,713	Réduction de la dette à long terme
Dividends on common and preferred shares	728,513	677,266	Dividendes sur actions ordinaires et privilégiées
	2,823,786	4,370,182	
<b>Increase (Decrease) in Working Capital</b>	<b>(55,762)</b>	<b>2,344,704</b>	<b>Augmentation (diminution) du fonds de roulement</b>
<b>Working Capital at Beginning of Year</b>	<b>6,131,884</b>	<b>3,787,180</b>	<b>Fonds de roulement au début de l'année</b>
<b>Working Capital at End of Year</b>	<b>\$6,076,122</b>	<b>\$6,131,884</b>	<b>Fonds de roulement à la fin de l'année</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 1969**

**1. Stock Options**

Options have been granted to officers and employees of the company and its subsidiaries on common shares exercisable as follows:

No. of shares	Date of expiry	Option price
9,050	January 31, 1971	\$10.00
1,500	January 14, 1973	10.875
5,000	October 31, 1975	9.50
42,000	October 31, 1975	10.00
1,000	January 6, 1976	10.00
<u>58,550</u>		

A further 32,500 shares are reserved for allocation. Of the total of 91,050 shares, 49,800 shares have been purchased to date on the open market and are held by a subsidiary on account of these options.

**2. Contingent Liability and Commitments**

The company has a contingent liability of \$292,408 for the uninsured portion of notes receivable discounted. The company is committed to make capital expenditures of approximately \$1,332,000 for the acquisition of property, plant and equipment. Of this total, \$1,063,000 is payable over a six year period without interest.

**NOTES AUX ÉTATS FINANCIERS CONSOLIDÉS  
POUR L'ANNÉE TERMINÉE LE 31 MARS 1969**

**1. Options d'achat d'actions**

La compagnie a octroyé des options aux officiers et aux employés de la compagnie et de ses filiales sur des actions ordinaires. Ces droits peuvent être exercés comme suit:

Nombre d'actions	Date d'expiration	Prix de l'option
9,050	31 janvier 1971	\$10.00
1,500	14 janvier 1973	10.875
5,000	31 octobre 1975	9.50
42,000	31 octobre 1975	10.00
1,000	6 janvier 1976	10.00
<u>58,550</u>		

32,500 actions additionnelles sont réservées pour octroi. Du nombre total de 91,050 actions, 49,800 actions ont été achetées à date sur le marché et sont détenues par une filiale relativement à ces options.

**2. Passif éventuel et engagements**

Le passif éventuel de la compagnie est de \$292,408 représentant la portion non assurée des billets à recevoir escomptés. La compagnie s'est engagée à déboursier une somme d'environ \$1,332,000 en dépenses en immobilisations pour l'acquisition de propriétés, d'usines et d'équipement. De ce total, \$1,063,000 est payable sans intérêt, sur une période de six ans.







# PROGRESS IN ELECTRONICS

The Electronics Division, Montreal, delivered DC-8-62 digital flight simulators to Swissair and to Union de Transports Aériens during the fiscal year, while two new simulator orders were received, one for the first Lockheed L-1011 TriStar simulator, from Lockheed-California Company, and the other for a Boeing 747 flight simulator for a consortium consisting of KLM Royal Dutch Airlines, Swissair and SAS Scandinavian Airlines System. Currently under development and due for delivery in 1969 is a DC-8 flight simulator for Air New Zealand.

Simulator sales were not up to expectations, but never before have there been so many potential commercial simulator orders on the horizon. The company is hopeful that it will obtain its fair share of new contracts in the coming months. The outlook for military simulator contracts in the near future is not too encouraging, as most of the countries with whom we have done, and expect to do business, seem to have financial and budgetary problems.

In other areas of activity at the Electronics Division, Montreal, new product lines such as acoustically coupled, portable Telepath terminals, and card terminals utilizing CAE translators were acquired and reasonable sales successes achieved in a short period of time.

Progress in the manufacturing and sales of magnetic anomaly detection equipment for the anti-submarine forces of many western nations continues to be gratifying and profitable, and the application of this equipment to commercial airborne mineral detection is being explored.

A powerful new third-generation Sigma 5 computer has been acquired to facilitate the creation of software programs for simulators and other development purposes, and plans are underway to apply some of the immense computer capacity to time-sharing and the creation of software programs for outside customers.

Development of the Keenscope weather satellite photographic picture reproducer and an electronic Volumeter for calculation of cargo cube were essentially completed during the year, and marketing of these two proprietary products is being actively pursued. The first order for the Volumeter, valued at almost \$100,000, was received shortly after the year end.

CAE Electronics GmbH, in Germany, has been awarded a \$2,000,000 contract to install communications equipment throughout Western Europe for the NATO air defence ground environment (NADGE) system, and with a continuing high level of work in support of flight simulators and other electronics equipment in Europe should continue to make a substantial contribution to the company's profits.

In the United States, Oneida Electronics, Inc., has now ceased manufacturing and is acting primarily as a marketing outlet for Telepath and Datapath equipment manufactured in Canada.

The Electronics Division in Winnipeg unfortunately lost a long-held Canadian Air Force repair and overhaul contract during the year which necessitated the lay-off of about 40 of the 150 employees located there. However, this division has developed a number of new electronics products for agricultural use and, while the size of the operation has been reduced, it is expected to remain a profitable one with good chances for future growth.

# PROGRES DANS L'ELECTRONIQUE

La Division de l'électronique, section Montréal, a livré durant l'exercice des simulateurs de vol numériques DC-8-62 à Swissair et Union de Transports Aériens, et reçu deux commandes de simulateurs nouveaux: une pour le premier simulateur Lockheed L-1011 TriStar confiée par Lockheed-California Company, l'autre pour un simulateur Boeing 747 confiée par un groupe formé de KLM, Swissair et SAS. Un simulateur DC-8, actuellement en cours de mise au point, doit être livré à Air New Zealand en 1969.

Les ventes de simulateurs n'ont pas répondu à notre attente, mais jamais encore le nombre des commandes en vue n'a été si grand; votre Société a l'espoir d'en recevoir sa juste part au cours des prochains mois. Dans le secteur militaire, la situation est plutôt sombre à court terme, la plupart des pays clients semblant aux prises avec des difficultés financières et budgétaires.

En d'autres domaines, la Division de l'électronique de Montréal s'est enrichie de nouvelles gammes de matériels, comme les postes finaux portables Telepath à couplage acoustique et les postes finaux à cartes utilisant le traducteur CAE, et réalisé en peu de temps des réussites commerciales satisfaisantes.

La construction et la vente du matériel de détection d'anomalies magnétiques, destiné à la lutte anti-sousmarine dans les forces armées occidentales, continuent à donner toute satisfaction, par leur rythme et leur marge bénéficiaire. L'extension de ce matériel à la prospection minière est actuellement recherchée.

Un puissant ordinateur Sigma 5 de "troisième génération" a été acquis pour faciliter l'établissement des programmes de simulateurs et assister vos bureaux d'études. Il est actuellement envisagé de mettre une partie de l'immense capacité de cette machine à la disposition des utilisateurs extérieurs, pour l'exécution de travaux courants et pour la création de programmes d'ordinateurs.

La mise au point du reproducteur Keenscope de photographies météorologiques prises par satellites et celle du Volumeter électronique, appareil de cubage du fret, ont été essentiellement terminées durant l'exercice, et la commercialisation de ces deux appareils de marque est activement poursuivie. La première com-

mande de Volumeter, dont le prix atteint presque \$100,000, a été reçue peu après la fin de l'exercice.

CAE Electronics GmbH s'est vu adjuger un marché de \$2,000,000, portant sur l'installation de matériel de télécommunications dans toute l'Europe occidentale, pour le système NADGE de défense aérienne du territoire (OTAN). S'ajoutant à l'important volume d'affaires créé par le service après-vente des simulateurs de vol et autres matériels électroniques vendus en Europe, ces travaux devraient permettre à votre filiale allemande d'apporter encore une contribution appréciable à vos bénéfices.

Aux Etats-Unis, Oneida Electronics, Inc. a maintenant abandonné la fabrication et s'occupe essentiellement de la distribution du matériel Telepath et Datapath construit au Canada.

La section Winnipeg de la Division de l'électronique a malheureusement perdu, au cours de l'exercice, un ancien marché de réparation et de révision pour le compte de l'Aviation canadienne, ce qui a nécessité le licenciement d'environ 40 des 150 personnes sur place. Néanmoins, cette section a mis au point de nombreuses productions électroniques à usage agricole et, si son volume d'affaires est en réduction, elle devrait du moins rester rentable et conserver de bonnes possibilités d'expansion future.



*Sophisticated machinery such as this giant rail press is used by Union Screen Plate Co. Ltd., Lennoxville, Que., in the fabrication of perforated screen plates for the pulp and paper and textile industries throughout Canada and in the United States.*

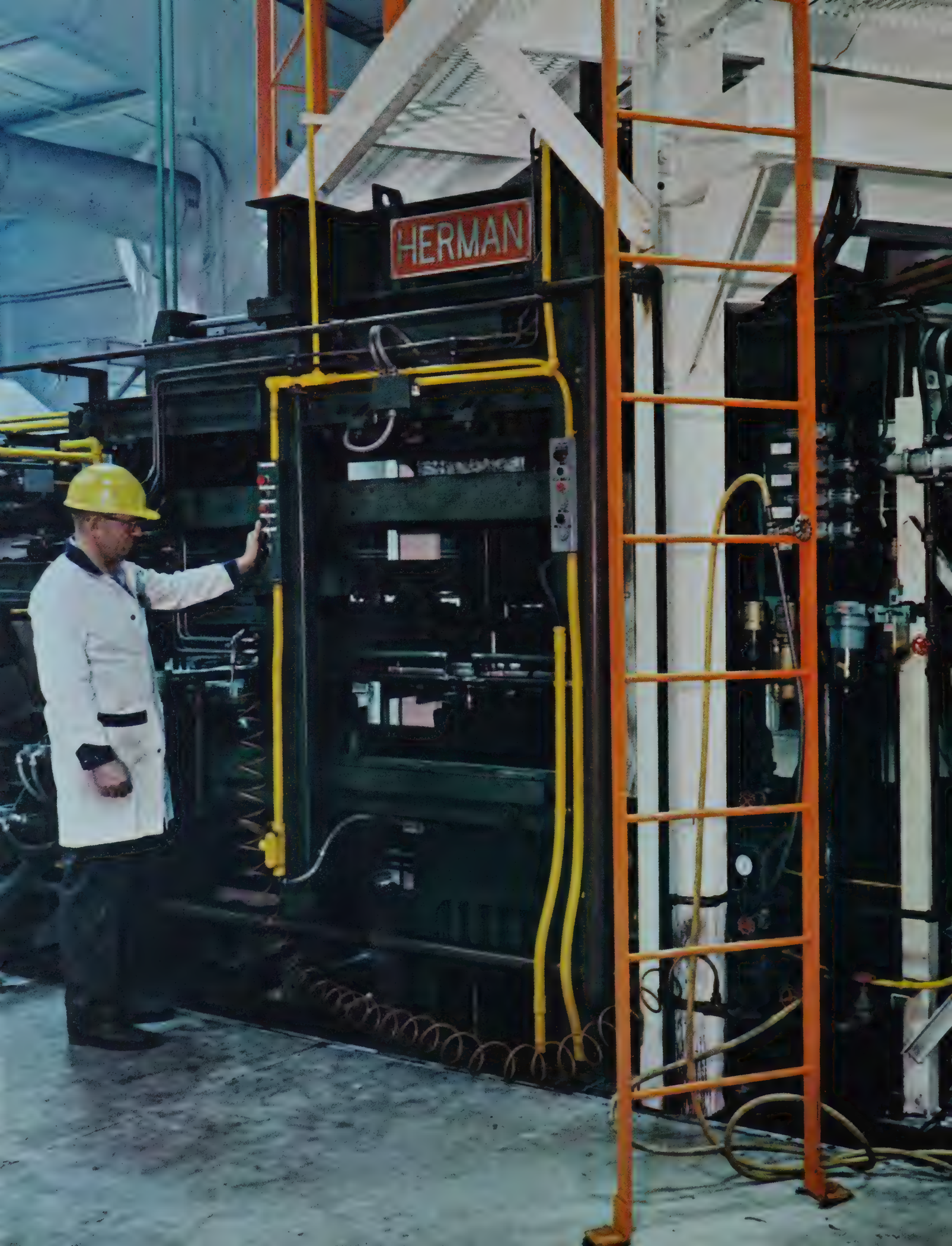
*Union Screen Plate Co. Ltd. possède à Lennoxville un matériel d'avant-garde, comme cette presse géante montée sur rails, pour la fabrication de tamis en tôle perforée largement utilisés au Canada et aux Etats-Unis dans les usines de pâte, de papier et de textiles.*















*The most highly automated non-ferrous foundry in Canada was constructed by the Canadian Bronze Company Limited, Winnipeg, during the year and is now in production.*

## OTHER MANUFACTURING

In other areas of manufacturing, sales of reinforced fiberglass products at NWI were short of forecast, but recent activity indicates that there will be substantial sales in the current year. Possessing the greatest potential is a new sand-filled fiberglass reinforced pipe developed by NWI which is competitive in price with concrete pipe while possessing superior essential attributes. Some sales have already been made, and it is expected that this will become a major product line for the division in the future.

The activities of Canadian Bronze Company Limited, and Union Screen Plate Co. Ltd., which are in associated areas of manufacturing and marketing, have been consolidated to achieve operational and administrative economies. In addition, L. E. Baxter Limited has been absorbed into the Canadian Bronze complex.

These manufacturing companies generally experienced high levels of activity during the year and all indications are that continuing growth can be expected. Reduced car loadings affected the sale of railway journal bearings, but these reductions were largely offset by price increases obtained late in the year.

In Winnipeg, the Canadian Bronze Company Limited completed construction of the most highly automated non-ferrous foundry in Canada. At the same time, our largest customer there indicated a substantial increase in requirements for the coming year. Work backlog is high, a number of new items have been added to the production lines, and the outlook here is quite favourable.

A general revival in the forest products industry had a salutary effect upon the operations of CAE Machinery Ltd., Vancouver, and Union Screen Plate Co. Ltd., Lennoxville. Results at both companies were improved over the previous year, and both have work backlogs in excess of those existing at the end of the preceding year.

*Canadian Bronze Company Limited a construit à Winnipeg la fonderie de métaux non ferreux la plus automatisée du Canada, durant l'exercice écoulé. Cette usine est maintenant en service.*

## AUTRES FABRICATIONS

Dans les autres secteurs industriels, la vente de produits en plastique armé de verre chez NWI n'a pas atteint les prévisions, mais l'activité récente indique qu'elle réalisera un important chiffre d'affaires dans l'exercice en cours. Les plus grands espoirs sont autorisés par la mise au point d'un tuyau de plastique armé de verre à bourrage de sable, compétitif avec le tuyau de béton mais supérieur par ses avantages propres. La vente en est déjà commencée, et il est prévu que cette fabrication deviendra l'une des principales de la division.

Les activités de Canadian Bronze Company Limited et d'Union Screen Plate Co. Ltd., complémentaires dans la fabrication et la commercialisation, ont été consolidées pour réaliser des économies d'ordres technique et administratif. En outre, L. E. Baxter Limited a été absorbée par le complexe Canadian Bronze.

Dans l'ensemble ces sociétés industrielles ont fonctionné à un rythme élevé au cours de l'exercice, et tout indique que leur croissance va continuer. Une baisse du fret a réduit les ventes de paliers de roues de wagons, mais les hausses de prix obtenues en fin d'exercice ont largement compensé la diminution du volume.

A Winnipeg, Canadian Bronze Company Limited a terminé la construction de la fonderie de métaux non ferreux la plus automatisée du Canada. Parallèlement, son principal client a signalé une hausse substantielle de ses besoins pour l'année qui vient. Le carnet de commandes est bien rempli, plusieurs nouveautés ont été ajoutées à la gamme des fabrications, et pour cette filiale la conjoncture est très favorable.

La reprise générale survenue dans le secteur des produits forestiers a eu d'heureuses conséquences pour CAE Machinery Ltd., de Vancouver, et Union Screen Plate Co. Ltd., de Lennoxville. Les résultats de ces deux sociétés sont en amélioration sur l'exercice antérieur et leurs carnets de commandes montrent une hausse par rapport à la fin de l'exercice antérieur.



## CAE INDUSTRIES LTD.

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Montreal, Que.

Montreal mail address: Box 6166,  
Montreal 101, Que.

C. Douglas Reekie, President and  
Chief Executive Officer.

## SUBSIDIARY COMPANIES AND DIVISIONS

CAE ELECTRONICS DIVISION  
Montreal, Que.  
R. W. Cooke, President

CAE ELECTRONICS DIVISION  
(WESTERN)  
Winnipeg, Man.  
A. H. Mielke, Vice-President

NORTHWEST INDUSTRIES  
LIMITED  
Edmonton, Alberta  
E. L. Bunnell, President

B.C. AIR LINES LIMITED  
Vancouver, B.C.  
D. R. Jacox, President

CANADIAN BRONZE COMPANY  
LIMITED  
Montreal, Que.  
A. J. Moore, President and  
General Manager

CANADIAN BRONZE COMPANY  
LIMITED  
(CENTRAL DIVISION)  
Winnipeg, Man.  
F. A. Sleep, General Manager

ONEIDA ELECTRONICS, INC.  
Utica, N.Y.

CAE ELECTRONICS GmbH  
Stolberg, Aachen, West Germany  
M. J. Livis, Manager

CAE MACHINERY LTD.  
Vancouver, B.C.  
G. John Harris, President and  
General Manager

UNION SCREEN PLATE CO. LTD.  
Lennoxville, Que., Brampton, Ont.  
A. S. Mitchell, President and  
Chief Executive Officer

CAE LUBRICATORS LTD.  
Montreal, Que.  
D. M. Loucks, President

## CAE INDUSTRIES LTD.

CAE INDUSTRIES LTD.:  
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Adresse postale de Montréal:  
C.P. 6166, Montréal 101, P.Q.

C. Douglas Reekie, président  
et directeur général

## FILIALES ET DIVISIONS

CAE, DIVISION  
DE L'ELECTRONIQUE  
Montréal, P.Q.  
R. W. Cooke, président

CAE, DIVISION  
DE L'ELECTRONIQUE  
(OUEST)  
Winnipeg, Man.  
A. H. Mielke, vice-président

NORTHWEST INDUSTRIES  
LIMITED  
Edmonton, Alberta  
E. L. Bunnell, président

B. C. AIR LINES LIMITED  
Vancouver, C.B.  
D. R. Jacox, président

CANADIAN BRONZE COMPANY  
LIMITED  
Montréal, P.Q.  
A. J. Moore, président et directeur  
général

CANADIAN BRONZE COMPANY  
LIMITED  
(DIVISION CENTRALE)  
Winnipeg, Man.  
F. A. Sleep, directeur général

ONEIDA ELECTRONICS, INC.  
Utica, N.Y.

CAE ELECTRONICS GmbH  
Stolberg, Aachen, Allemagne de  
l'ouest  
M. J. Livis, directeur

CAE MACHINERY LTD.  
Vancouver, C.B.  
G. John Harris, président  
et directeur général

UNION SCREEN PLATE CO. LTD.  
Lennoxville, P.Q., Brampton, Ont.  
A. S. Mitchell, président  
et directeur général

CAE LUBRICATORS LTD.  
Montréal, P.Q.  
D. M. Loucks, président











**ADDRESS  
TO  
SHAREHOLDERS  
BY  
C. DOUGLAS  
REEKIE,  
PRESIDENT  
CAE  
INDUSTRIES  
LTD.,  
WINNIPEG,  
MANITOBA,  
JUNE 23,  
1969**

**JUL - 7 1969**









As President and Chief Executive Officer of the company, and on behalf of the Board of Directors of CAE, I would like to welcome you to the 22nd Annual Meeting of CAE Industries Ltd., the first annual meeting we have ever held in the city of Winnipeg.

It is perhaps obvious why Winnipeg was chosen as the location for this year's annual meeting, for in 1969 this city will see the beginnings of exciting new growth for CAE, and in the years to come it will become a major centre of industrial expansion for the company.

Air Canada has approved a proposal submitted by CAE in late 1968, for the acquisition of the Air Canada maintenance base here, which we envision will become the nucleus of a large and growing aerospace centre in Manitoba, performing a variety of aviation activities under the name of CAE Aircraft Ltd. The Central Division of the Canadian Bronze Company Limited, another of our subsidiaries, has recently completed here in Winnipeg, at a cost of close to one million dollars, the most modern, fully integrated non-ferrous foundry in Canada, which will substantially increase its ability to compete for new business in Canada and across the border in the United States. The loss of a long-held Canadian Air Force contract has caused our Electronics Division in Winnipeg to lay off a number of skilled personnel. However, new product lines are being developed, principally in electronics for agricultural use, and we are confident that this division can embark on a new era of growth.

The annual report described in some detail the activities of the past year which I shall not reiterate. But if I may be permitted to take a little time I would like to expand on a few subjects which may be of interest to you.

CAE Industries is a Canadian company,



Canadian owned and Canadian operated, with more than 30 per cent of its total production currently exported, and with this percentage increasing each year. We are proudly Canadian with some 98 per cent of our 4,400 shareholders residents of this country. Of these, more than 20 per cent live in Manitoba and the other Western provinces of Canada. At a time when more and more Canadian companies are being wooed and won by foreign interests, principally in the United States, we have been able to retain our Canadian identity, and we intend to continue that way.

The importance of exports to Canada is too well known to pursue here at this time. Your company feels that it is playing a major role in building international markets for specialized Canadian products and skills, thus contributing beneficially to Canada's balance of payments position. The fact that our exports continue to increase at a substantial rate is one indication of CAE's ability to successfully compete in the industrial markets of the world.

Worthy of note is that CAE had a consolidated backlog of work well in excess of \$60,000,000 at the end of March 1969, by far the highest in its history. Of that backlog, approximately 70 per cent is destined for export, which is as gratifying to us as it is advantageous to Canada as a whole.

I would like to acknowledge here the strong support and encouragement we have received from the various levels of government in the pursuit and acquisition of new business, not the least of which has been the enthusiastic encouragement and support received from the Government of Manitoba and its able representatives. Throughout all of our negotiations towards the acquisition of the Air Canada base, and during our representations to the Federal Government concerning the loss of the pre-



viously mentioned work at our Electronics Division in Winnipeg, the Government of Manitoba has played a positive and helpful role, which is much appreciated.

Our hopes and plans for the future in Winnipeg are only one manifestation of our growth in Western Canada. Northwest Industries Limited in Edmonton continues to expand, and expects to employ a work force of more than 1,000 within the next two years, compared to 600 today.

B.C. Air Lines will expand its payroll by more than 50 per cent by the end of this year when it anticipates it will have more than 180 employees on staff, while CAE Machinery, also in Vancouver, has grown from about 140 to 210 employees during the past year.

It is in the young and essentially untapped industrial potential of Western Canada that CAE sees great challenge, and great potential rewards. We intend to participate in that challenge, and to make a significant contribution to the economic well-being of this part of Canada.

To be successful in both international and domestic markets, CAE, like all companies, must be competitive — competitive in quality, competitive in technology and competitive in price. Our past experience gives us confidence that we are competitive in quality and in technology, and thus far we have managed to maintain a competitive position in price. We are currently experiencing in this country, however, a situation where wages, in many sectors of the economy, are rising faster than productivity. The cry for wage parity with the United States, when our productivity continues to fall further and further behind industry there, is misguided, foolish and it is potentially ruinous. Negotiation by brinkmanship, by strike



and lockout, is not negotiation but intimidation. Yet all too many of our labour agreements are being settled only after this type of action, to the detriment of the companies and the workers involved, their families, the shareholders and in the final analysis, to Canadians as a whole.

Responsible union leadership in Canada negotiating with responsible management to improve productivity and thus the standard of living is essential to our future prosperity as individuals and as a nation. I would like to stress leadership in Canada, by Canadians, for Canadians, recognizing the needs of Canadians, and applying primarily to the welfare of this country, and to no other.

That is not to say that responsibility for raising Canada's productivity lies on labour's shoulders alone. Management must play its part by providing the tools and the management skills required to improve productivity. In this area I believe that CAE can be justly proud of its continuing investment in plant and equipment in Western Canada. In the past year we have not only completed Canada's most modern non-ferrous foundry, in Winnipeg, but we have also installed the largest hydraulic press and a bonding autoclave for the manufacture of aircraft parts and components in our plant in Edmonton. The latter pieces of equipment are the only ones of their type west of Toronto.

We have also substantially upgraded the operation of B.C. Air Lines, now operating throughout the interior of British Columbia with turbine-powered, fully-pressurized passenger aircraft on routes awarded to our airline about three months ago. And in the East, at our Electronics Division in Montreal, we have installed a new Sigma 5 general purpose computer which is, again, one of the few of its kind in operation in



Canada. Throughout all of our subsidiaries substantial capital investments have been made for a wide range of modern machinery, all designed to increase productivity and quality in the constant battle to remain competitive.

CAE has, in the last two years, invested some three million dollars in new capital equipment and facilities at its western divisions alone in efforts to keep competitive with other Canadian and American companies pursuing similar markets, and substantial capital expenditures will be made again this year.

With new equipment comes the need for new skills, for retraining, and it is only through the cooperation of labour and management, working together, that the essential increase in productivity and therefore prosperity, can be attained.

Before I conclude I would like to say a few words on the acquisition of our Air Canada maintenance base in Winnipeg. It is CAE's intention to build here, with the promised assistance of Air Canada and the Federal Government, a large and continuing aerospace industry, under the name of CAE Aircraft Ltd. We are confident of our ability to do so, providing we can obtain the enthusiastic support of our new employees. I realize there has been bitterness generated in this area during the years of conflict over the future of the base. But we must not look back to what has happened, but forward to what the future of the facility can, and should, be. No worth-while purpose can be served now by attempting to place blame, but much can be gained by accepting the new responsibilities, and facing the new challenges which CAE Aircraft Ltd. will present not only to its employees, but to all of Manitoba.

There will necessarily be a period of some disruption and distress during the

phase out of the Air Canada operation and the introduction of CAE people and policies. But with the application of goodwill on the part of all, I am confident that this can be kept to a minimum. CAE Aircraft can become a competitive company, competing for new work throughout Canada and abroad, and one which this area, I am sure, will be proud to claim as its own. If we cannot remain competitive, the future of the facility as we see it will be imperilled. If it remains competitive, there is no limit to our aspirations for the future of the company and its employees in Winnipeg.



des activités Air Canada et la mise en place du personnel et des politiques CAE. Mais je suis persuadé qu'avec la bonne volonté de tous, les désagréments qui vont en résulter pourront être réduits au minimum. CAE Aircraft peut devenir une société efficiente, apte à rivaliser avec les autres dans la recherche de nouveaux débouchés au Canada et à l'étranger, et dont la région, j'en suis persuadé, n'ait pas à rougir. Si nous ne savons pas rester compétitifs, la matérialisation de l'avenir envisagé deviendra problématique. Mais si nous savons le demeurer, rien ne viendra limiter les projets que nous formons pour la Société et son personnel de Winnipeg.

portants investissements ont été affectés à un large éventail de matériels modernes, tous étudiés en vue de la productivité et de la qualité nécessaires à notre époque de concurrence aiguë.

CAE a réalisé, au cours des deux derniers exercices, trois millions de dollars d'investissements dans les seules divisions de l'Ouest, pour conserver ses positions vis-à-vis de la concurrence canadienne et américaine, et ceux de l'exercice en cours seront encore une fois importants.

Le nouveau matériel pose la question des qualifications nouvelles et du recyclage. Seule une étroite collaboration entre la direction et le personnel permettra d'obtenir l'indispensable relèvement de la productivité, donc de la prospérité.

Je ne puis terminer sans dire quelques mots sur l'acquisition de la base technique Air Canada de Winnipeg. CAE a l'intention d'établir ici à demeure, avec l'assistance promise par Air Canada et le gouvernement fédéral, une grande entreprise aérospatiale sous la dénomination sociale de CAE Aircraft Ltd. La réussite nous apparaît certaine, à cette condition de pouvoir compter sur l'appui enthousiaste de notre nouveau personnel. Je connais l'amertume ressentie dans la région pendant les années de débat sur le sort de la base. Mais il faut maintenant se tourner vers l'avenir qui peut et doit être celui des installations. Il ne peut plus servir à rien de chercher des responsables à un état de fait désormais acquis, alors qu'il y a tout intérêt à accepter la situation nouvelle et à fournir l'effort d'initiative que le succès de CAE Aircraft va demander non seulement à son personnel, mais au Manitoba tout entier.

Il va nécessairement régner une période de désorganisation et de flottement relatifs, pendant la suppression graduelle



qu'après le recours à de telles tactiques, préjudiciables aux intérêts des entreprises et des travailleurs en cause, à ceux de leurs familles, de leurs actionnaires et, en dernière analyse, du pays lui-même.

Pour la prospérité individuelle et collective des Canadiens, il est essentiel que, par voie de négociation conduite avec bon sens de part et d'autre, industriels et chefs syndicaux collaborent au relèvement de la productivité, donc du niveau de vie. A cette fin, et j'insiste sur ce point, l'orientation syndicale devra être donnée au Canada par des Canadiens, pour le compte et au profit de leurs compatriotes, et en recherchant avant tout le bien de notre pays et de nul autre. Ceci ne veut pas dire que la charge de hausser la productivité nationale incombe aux seuls salariés. Les entreprises doivent, pour leur part, fournir les moyens et les techniques de gestion nécessaires. Sur ce plan, j'estime que CAE peut être fière des investissements consacrés à l'outillage et au matériel dans les provinces de l'Ouest. L'exercice écoulé a vu non seulement l'achèvement à Winnipeg de la plus moderne fonderie canadienne de métaux non ferreux, mais aussi l'installation à Edmonton de la plus grosse presse hydraulique et d'un auto-clave de collage pour la fabrication de pièces et éléments d'avions. Ces derniers équipements sont les seuls du genre à l'ouest de Toronto.

Nous avons d'autre part revalorisé considérablement les services de B.C. Air Lines, laquelle dessert maintenant tout l'intérieur de la Colombie-Britannique, au moyen d'aérorobus turbo-propulsés et intégralement pressurisés parcourant les liaisons accordées il y a trois mois. Et dans l'Est, votre Division de l'Electronique de Montréal a installé un nouvel ordinateur Sigma 5 d'emploi général, lui aussi l'un des rares en service au Canada. Dans toutes vos filiales, d'im-

lui sommes vivement reconnaissants.

Notre expansion dans l'Ouest du Canada ne se manifeste pas seulement dans les espoirs et les projets formés pour Winnipeg. Northwest Industries Limited, d'Edmonton, continue de grossir et compte pouvoir porter son effectif de 600 à 1,000 personnes au cours des deux prochaines années.

Le personnel de B.C. Air Lines augmentera de plus de 50 p. 100 d'ici à la fin de cette année, atteignant alors un nombre prévu de salarés supérieur à 180, tandis que celui de CAFE Machinery, aussi de Vancouver, est passé de 140 à 210 personnes au cours de l'exercice écoulé.

C'est dans le développement industriel de l'Ouest canadien, récent et à peine amorcé, que CAFE voit la possibilité de grandes réalisations, et éventuellement de grands avantages. Nous entendons participer à ces réalisations et contribuer pour une part notable à la prospérité de cette partie du pays.

Pour tenir sur la place internationale ou nationale, notre Société doit comme les autres pouvoir offrir la qualité technique à des prix compétitifs. Les succès déjà remportés nous donnent confiance sur le plan technique, et en matière de prix nous avons jusqu'ici réussi à rester compétitifs. Il se trouve cependant que dans notre pays, la progression des salaires est actuellement plus rapide que celle de la productivité en beaucoup de secteurs industriels. Le slogan de la parité salariale avec les Etats-Unis, répété alors que la productivité nationale retarde de plus en plus sur celle de ce pays, est mal inspiré et peut conduire à la ruine économique. Dans la recherche des conventions de salaires, le coup d'audace, la grève et le lock-out sont des moyens d'intimidation et non de négociation. Et pourtant, trop fréquents sont les cas où l'accord n'intervient



CAE Industries, société canadienne ass-  
si bien par son capital et sa direction  
que par sa nationalité juridique, a un  
pourcentage d'exportations actuellement  
supérieur à 30% et en progression cons-  
tante d'une année sur l'autre.

Je puis insister non sans fierté sur le  
fait que 98 p. 100 environ de nos 4,400  
actionnaires habitent le Canada, et plus  
particulièrement le Manitoba et les autres  
provinces de l'Ouest à raison de plus de  
20 p. 100. Alors que s'effectue à un ryth-  
me accéléré la prise en charge des  
entreprises canadiennes par des groupes  
étrangers, surtout américains, nous  
avons pu rester fidèles à nos origines  
et entendons le demeurer.

Il est inutile de rappeler l'importance  
des exportations pour notre pays. Votre  
Société estime apporter une contribution  
marquante à la diffusion de la technique  
canadienne, avec les avantages qui en  
découlent pour la balance des paie-  
ments. La faveur croissante dont jouit  
votre production à l'étranger témoigne  
d'ailleurs de l'efficacité industrielle de  
CAE dans la grande compétition  
internationale.

En effet, sur le chiffre record de  
\$60,000,000 du carnet de commandes  
consolidé à fin mars 1969, environ 70 p.  
100 était destiné à l'étranger. Ce qui  
n'est pas moins favorable pour vous que  
profitable pour l'économie tout entière.  
Je ne saurais passer sous silence l'appui  
énergique reçu des pouvoirs publics  
dans la recherche et la création d'af-  
faires nouvelles, et notamment l'assis-  
tance prêtée par le gouvernement et  
l'administration du Manitoba. Tout au  
long des négociations relatives à la base  
Air Canada, comme pendant les démar-  
ches tentées auprès du gouvernement  
fédéral sur la question du marché perdu  
par la Division de l'Électronique à Win-  
nipeg, le gouvernement manitobain a  
joué un rôle constructif et utile dont nous

En ma qualité de président et directeur général de votre Société, et au nom du Conseil d'administration, j'ai l'honneur de vous accueillir à la 22e Assemblée générale ordinaire de CAE Industries Ltd., la première tenue à Winnipeg.

Cette ville a été choisie pour des raisons évidentes, puisqu'elle verra débuter en 1969 une nouvelle extension intéressante de CAE, et deviendra avec les années un important centre d'expansion industrielle pour votre Société.

Comme suite à la proposition faite par CAE fin 1968, Air Canada a consenti à vous céder sa base technique de Winnipeg, dont nous prévoyons que les nombreuses activités aéronautiques, confiées à une nouvelle filiale CAE Aircraft Ltd., donneront naissance à un centre aérospatial important et prospère au Manitoba. La division centrale de Canadian Bronze Company Limited, une autre de vos filiales, a récemment achevé ici, à un prix voisin de un million de dollars, la plus moderne des fonderies de métaux non ferreux entièrement intégrées du Canada, ce qui renforcera notablement sa position commerciale sur les marchés canadiens et américains. La section Winnipeg de votre Division de l'Electronique, après avoir perdu un ancien contrat de l'Aviation Royale Canadienne, a dû licencier une partie de son personnel technique; cependant elle développe en ce moment une nouvelle gamme de matériels, destinés principalement aux applications agricoles, et nous avons confiance qu'elle pourra franchir un nouveau tournant dans la voie de l'expansion.

Le rapport de gestion est suffisamment détaillé pour qu'il ne me soit pas besoin de m'attarder sur les activités de l'exercice écoulé. Mais par ailleurs, vous me permettrez sûrement quelques remarques sur les conditions propres à votre exploitation.





AR52



ALLOCATION  
DE  
M. C. DOUGLAS  
REEKIE,  
PRÉSIDENT DE  
CAE  
INDUSTRIES  
LTD.,  
À L'ASSEMBLÉE  
GÉNÉRALE  
DES  
ACTIONNAIRES  
WINNIPEG  
(MANITOBA),  
23 JUIN  
1969



AR52

CAE INDUSTRIES LTD.

JUN - 3 1969

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Take notice that the annual general meeting of the shareholders of CAE INDUSTRIES LTD. will be held in Salon La Vérendrye of the Fort Garry Hotel in Winnipeg, Manitoba, on Monday, the 23rd day of June, 1969, at 11:00 o'clock in the forenoon, E.D.T., for the purpose of:

- (a) receiving and considering the annual report containing the financial statements made up of the balance sheet, statement of retained earnings, statement of earnings and statement of source and application of funds, together with the report of the auditors;
- (b) appointing auditors and authorizing the directors to fix their remuneration;
- (c) electing directors;
- (d) approving By-law Number 66 of the By-laws of the company covering routine matters;
- (e) transacting such further or other business as may properly come before the meeting, or any adjournment thereof.

A copy of the said annual report, of an information circular and a form of proxy accompany this notice.

By-law Number 66 was enacted by the directors at a directors' meeting held at the head office of the company on the 18th day of June, 1968, immediately following the annual general meeting of shareholders. A copy of the By-law will be available at the annual general meeting of shareholders and a copy will also be mailed to shareholders upon request.

If you are not able to be present personally, kindly sign and return the form of proxy in the enclosed self-addressed envelope.

Dated at Montreal, P.Q., the 2nd day of June, 1969.

By Order of the Board.



Robert G. Small  
Secretary





**CAE INDUSTRIES LTD.**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**JUNE 23, 1969**

**JUN - 3 1969**

**INFORMATION CIRCULAR**

**Solicitation of Proxies**

This information circular is furnished in connection with the solicitation by the management of CAE INDUSTRIES LTD. (the Company) of proxies to be used at the annual general meeting of shareholders of the Company to be held at the time and place and for the purposes set forth in the notice calling the above meeting. Solicitation of proxies will be by mail. The cost of solicitation by management will be borne by the Company.

**Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are directors of the Company. **A shareholder desiring to appoint some other person to represent him at the meeting may do so** either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Secretary of the Company, c/o Crown Trust Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, c/o Crown Trust Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the meeting.

**Exercise of Discretion by Proxies**

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted for the approval of the directors' report and financial statements, for the appointment of Riddell, Stead and Co., Chartered Accountants, as auditors of the Company, for the election as directors of the persons designated in this Information Circular as nominees for such office, and for the approval of By-law Number 66 covering routine matters, the whole as stated under those headings in the notice calling the meeting.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendment, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

**Voting Shares**

On the 26th day of May, 1969, the Company had outstanding 2,126,381 common shares without nominal or par value, each carrying the right to one vote per share, so that the aggregate number of votes attaching to all the outstanding shares is 2,126,381. The directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Company.

Shareholders who are registered as such as at the date of the meeting will be entitled to attend and vote thereat.



## Election of Directors

The By-laws of the Company provide that the Board of Directors shall consist of twelve directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the Board of Directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy may reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting or until his successor is duly elected, unless his office is earlier vacated in accordance with the By-laws.

The following table and the notes thereto state the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, the year in which they became directors of the Company, and the approximate number of shares of each class of the Company beneficially owned directly or indirectly by each of them, as of May 17th, 1969.

Name	Became Director	Approximate Number of Common Shares
William M. Anderson of Vancouver, British Columbia, is a managing partner in the firm of Winspear, Higgins, Stevenson and Doane, chartered accountants, a position held for a period of at least five years.	1967	10,900
Henry Benson of Montreal, Quebec, is President of Benso Limited, a position held for a period of at least five years.	1947	72,760
G. Drummond Birks of Montreal, Quebec, is Vice-President of Henry Birks & Sons Ltd., which position he has held for a period of at least five years	1968	1,000
Pierre Côté of Quebec City, Quebec, is President of Laiterie Laval Limitée, which position he has occupied for the past year. Prior to that he was co-partner of Laiterie Laval Enr. for a period in excess of four years.	1969	200
Peter D. Curry of Winnipeg, Manitoba, has been Chairman of the Board of Greater Winnipeg Gas Company since 1965 and previously was President of Greater Winnipeg Gas Company for a period of at least three years.	1958	7,500
R. Fraser Elliott, Q.C., of Montreal, Quebec, is Chairman of the Board of the Company, and is a senior partner in the legal firm of Stikeman, Elliott, Tamaki, Mercier & Robb, both of which positions he has held for a period of at least five years.	1951	118,164
Peter L. P. Macdonnell, Q.C., of Edmonton, Alberta, is a senior partner in the legal firm of Milner & Steer, which position he has held for a period of at least five years.	1968	100
Ward C. Pitfield, Toronto, Ontario, is President of Pitfield, Mackay, Ross & Company Limited, which position he has occupied since October, 1965. Prior to that he was Executive Vice-President of Pitfield, Mackay & Company Limited.	1968	100
C. Douglas Reekie of Montreal, Quebec, has been President of the Company since May 1st, 1967, and previously was President or a Senior Officer of Northwest Industries Limited, a subsidiary of the Company, for four years. He was Secretary of the Company for a period ending in 1963.	1967	21,449



Name	Became Director	Approximate Number of Common Shares
Léon Simard of Montreal, Quebec, is the President of Engineering Products of Canada Ltd., a position held for a period of at least five years.	1964	20,000
H. Heward Stikeman, Q.C., of Montreal, Quebec, is a senior partner in the legal firm of Stikeman, Elliott, Tamaki, Mercier & Robb, which position he has held for a period of at least five years.	1957	48,024
Honourable G. S. Thorvaldson, Q.C., of Winnipeg, Manitoba, is a partner in Aikins, MacAulay & Thorvaldson, Barristers and Solicitors, and prior to May 1, 1969 was the senior partner of Thorvaldson & Company, Barristers and Solicitors, a position held for a period of at least five years.	1958	10,375

### Remuneration of Directors and Senior Officers

- (1) Aggregate direct remuneration paid by the Company and its subsidiaries during the 1969 fiscal year to the directors and senior officers of the Company. \$203,483.37
- (2) Estimated aggregate cost to the Company and its subsidiaries during the 1969 fiscal year of all pension or retirement benefits proposed to be paid to the directors and senior officers of the Company under existing plans in the event of retirement at normal retirement age. \$ 6,945.00
- (3) No retirement allowances are proposed to be paid in the future by the Company or any of its subsidiaries, pursuant to existing arrangements, to directors or senior officers of the Company (excluding payments under plans referred to in paragraph (2) and payments to be made for or benefits to be received from group life or accident insurance, group hospitalization or similar group benefits or payments).
- (4) No common shares of the Company were purchased by directors or senior officers of the Company pursuant to stock options granted by the Company during the 1969 fiscal year.

### Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Riddell, Stead & Co., Chartered Accountants, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Riddell, Stead & Co. (formerly known as "Riddell, Stead, Graham & Hutchison") have been auditors of the Company for more than five years.

By Order of the Board of Directors

Robert G. Small  
Secretary

Montreal, June 2nd, 1969

